

PAYING AGENT AGREEMENT

By and Between

CITY OF SANTA CLARA

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Paying Agent**

Dated as of February 1, 2026

Relating to

**\$ _____
City of Santa Clara
(County of Santa Clara, California)
Election of 2024 General Obligation Bonds,
2026 Series A**

**\$ _____
City of Santa Clara
(County of Santa Clara, California)
Election of 2024 General Obligation Bonds,
2026 Series B (Qualified 501(c)(3) Bonds)**

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PAYING AGENT AGREEMENT

This Paying Agent Agreement (the "Agreement") is made and entered into and dated as of February 1, 2026, by and between the City of Santa Clara, a charter city organized and existing under the laws of the State of California (the "City") and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, as Paying Agent (the "Paying Agent").

WHEREAS, the City is empowered to issue general obligation bonds that are authorized by two-thirds of the qualified electors of the City pursuant to Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, the "Act"); and

WHEREAS, more than two-thirds of the electors voting at an election duly and regularly held in the City on November 5, 2024, voted in favor of a bond measure known as Measure I (the "Bond Measure"), authorizing the issuance by the City of general obligation bonds in the aggregate principal amount of \$400,000,000 for the purpose of providing funds for certain municipal improvements within the City as authorized by the Bond Measure (as more particularly defined herein, the "Project"); and

WHEREAS, for the purpose of financing a portion of the Project, the City has determined at this time to issue its bonds captioned "City of Santa Clara (County of Santa Clara, California) Election of 2024 General Obligation Bonds, 2026 Series A," in the aggregate principal amount of \$_____, and its bonds captioned "City of Santa Clara (County of Santa Clara, California) Election of 2024 General Obligation Bonds, 2026 Series B (Qualified 501(c)(3) Bonds)," in the aggregate principal amount of \$_____, (collectively, the "Bonds"), as the first series of bonds issued under the Bond Measure; and

WHEREAS, the Bonds will be issued pursuant to the Bond Measure, the Act, Resolution No. ___ approved by the City Council of the City on _____, 2026, and this Agreement;

NOW THEREFORE, the City and the Paying Agent agree as follows:

ARTICLE I DEFINITIONS; AUTHORITY

Section 1.01. Definitions. The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Agreement, have the meanings ascribed to them below, unless the context clearly requires some other meaning.

“Act” means Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code.

“Agreement” means this Paying Agent Agreement, as now or hereafter amended in accordance with its terms.

“Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

“Authorized Officer” means the Mayor, the City Manager, any Deputy or Assistant City Manager, the Director of Finance, any Assistant Director of Finance, or the written designee of any of them.

“Beneficial Owner” means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories including, but not limited to, through the Nominee.

“Bond Measure” means the bond measure known as “Measure I” approved by more than two-thirds of the electors voting at an election duly and regularly held in the City on November 5, 2024.

“Bond Fund” means the fund by that name established under Section 4.03.

“Bonds” means, collectively, the Series A Bonds and the Series B Bonds.

“Business Day” means a day which is not a Saturday or Sunday or a day on which banks in San Francisco and Los Angeles, California, and New York, New York, are not required or permitted to be closed.

“Closing Date” means _____, 2026, the date upon which there is an exchange of Bonds for the proceeds representing the purchase price of the Bonds by the Purchasers.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Certificates” means, collectively, that certain Continuing Disclosure Certificate dated the Closing Date and executed by the City with respect to the Series A Bonds and that certain Continuing Disclosure Certificate dated the Closing Date and executed by the City with respect to the Series B Bonds, as originally executed and as they may be amended from time to time in accordance with the terms thereof.

“Contractor” means the contractor(s) or vendor(s) from whom the City has ordered or caused to be ordered or with whom the City has contracted or caused to be contracted with respect to the construction of the Project, or any portion of the Project.

“Costs of Issuance” means all items of expense directly or indirectly reimbursable to the City relating to the execution and delivery of the Bonds, including but not limited to, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, legal fees and expenses, municipal advisor fees and expenses, other professional consultant fees and expenses, fees and expenses of the Paying Agent, bond insurance premiums, and costs of obtaining credit ratings.

“Costs of Issuance Fund” means the fund by that name established under Section 4.04.

“County” means the County of Santa Clara, California.

“Debt Service Fund” means the fund by that name established under Section 4.02.

“Depository” means, initially, The Depository Trust Company, New York, New York, and its successors and assigns, any substitute securities depository appointed to act as Depository under Section 2.13 hereof.

“Event of Default” has the meaning set forth in Section 7.01.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if:

- (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code,
- (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code,
- (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or
- (iv) any commingled investment fund in which the City and related parties do not own more than a 10% beneficial interest if the return paid by the fund is without regard to the source of investment.

“Federal Securities” means United States Treasury notes, bonds, bills or certificates of indebtedness or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States.

“Information Service” means the Electronic Municipal Market Access (EMMA) system maintained by the Municipal Securities Rulemaking Board, accessible at the emma.msrb.org website, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the City may designate in a Written Request of the City delivered to the Paying Agent.

“Interest Payment Date” means each August 1 and February 1, commencing August 1, 2026.

“Moody’s” means Moody’s Investors Service, and any successor thereto.

“Nominee” means the nominee of the Depository as determined from time to time in accordance with Section 2.13.

“Outstanding,” when used as of any particular time with reference to Bonds, means all Bonds except:

(a) Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.03 hereof; and

(c) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered by the City under this Agreement.

“Owner” or **“Bondowner”** means any person who is the registered owner of any Outstanding Bond.

“Participant” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as a securities depository.

“Participating Underwriter” has the meaning assigned to such term in each Continuing Disclosure Certificate.

“Paying Agent” means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America.

“Permitted Investments” means any of the following investments, but only to the extent that the same are acquired at Fair Market Value, which are authorized under the laws of the State of California for investment of the funds proposed to be invested therein (provided that the City and the Paying Agent shall be entitled to rely upon any investment direction from the City as conclusive certification to the Paying Agent that the investments described therein are so authorized under the laws of the State of California):

(a) Federal Securities.

(b) any of the following direct or indirect obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank; (ii) certificates of beneficial ownership issued by the Farmers Home Administration; (iii) participation certificates issued by the General Services Administration; (iv) mortgage-

backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal Housing Administration; (v) project notes issued by the United States Department of Housing and Urban Development; and (vi) public housing notes and bonds guaranteed by the United States of America;

(c) interest-bearing demand or time deposits (including certificates of deposit), including those placed by a third party pursuant to a separate agreement between the City and the Fiscal Agent, banking deposit products, trust funds, trust accounts, overnight bank deposits, interest bearing deposits, interest bearing money market accounts or deposit accounts in federal or state chartered savings and loan associations or in federal or State of California banks (including the Fiscal Agent, its parent, if any, and affiliates), provided that (i) the unsecured short-term obligations of such commercial bank or savings and loan association shall be rated in the highest short-term rating category by any Rating Agency, or (ii) such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation;

(d) commercial paper rated at the time of purchase in the highest short-term rating category by any Rating Agency, issued by corporations which are organized and operating within the United States of America, and which matures not more than 180 days following the date of investment therein;

(e) bankers acceptances, consisting of bills of exchange or time drafts drawn on and accepted by a commercial bank, including its parent (if any), affiliates and subsidiaries, whose short-term obligations are rated in the highest short-term rating category by any Rating Agency, or whose long-term obligations are rated A or better by any Rating Agency, which mature not more than 270 days following the date of investment therein;

(f) obligations the interest on which is excludable from gross income pursuant to Section 103 of the Tax Code and which are either (a) rated A or better by any Rating Agency, or (b) fully secured as to the payment of principal and interest by Federal Securities;

(g) obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated A or better by any Rating Agency;

(h) money market mutual funds (including money market funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory, transfer agency, custodial or other management services for which it receives and retains a fee for such services to the fund) which invest in Federal Securities or which are rated in the highest short-term rating category by any Rating Agency including those funds for which the Fiscal Agent or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise; and

(i) any investment agreement representing general unsecured obligations of a financial institution rated A or better by any Rating Agency, by the terms of which the Fiscal Agent is permitted to withdraw all amounts invested therein in the event any such rating falls below A.

(j) the Local Agency Investment Fund established pursuant to Section 16429.1 of the Government Code of the State of California, *provided, however,* that the Paying Agent shall be permitted to make investments and withdrawals in its own name and the Paying Agent may restrict investments in the such fund if necessary to keep moneys available for the purposes of this Fiscal Agent Agreement.

(k) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the California Government Code, as it may be amended, including but not limited to the California Asset Management Program (CAMP);

(l) Any other lawful investment for City funds.

“Principal Office” means, the corporate trust office of the Paying Agent at One California Street, Suite 2600, San Francisco, California 94108, or such other location as designated by the Paying Agent.

“Project” means the acquisition or improvement of real property authorized by the Bond Measure, consisting generally of: streets and transportation improvements; fire stations and emergency response improvements; police facilities; parks, library, senior center, and aquatics facilities; storm drain system improvements, and historic buildings and beautification improvements. The Project is currently intended to include those improvements listed in the project list adopted by the City Council on September 16, 2025, as it may be amended from time to time, and as further summarized in Exhibit D.

“Project Costs” means:

(a) all costs of payment of, or reimbursement for, acquisition, construction and installation of the Project, including without limitation architect and engineering fees, contractor payments, costs of feasibility and other reports, inspection costs, performance bond premiums, and permit fees; provided that, in each case, any such costs are directly related to the acquisition or improvement of real property;

(b) Costs of Issuance not paid by the Purchasers from original issue premium on the Bonds; and

(c) costs directly related to the administration of the funds and accounts created under this Agreement.

“Project Fund” means the fund by that name established under Section 4.01.

“Purchasers” means, collectively, the Series A Bonds Purchaser and the Series B Bonds Purchaser.

“Resolution” means Resolution No. _____ adopted by the City Council of the City on _____, 2026, authorizing the issuance of the Bonds.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, and any successor thereto.

“Securities Depositories” means The Depository Trust Company and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the City may designate in writing to the Paying Agent.

“Series A Account of the Costs of Issuance Fund” means the account by that name within the Costs of Issuance Fund by name established under Section 4.04.

“Series A Account of the Project Fund” means the account by that name within the Project Fund established under Section 4.01.

“Series A Bonds” means the bonds captioned “City of Santa Clara (County of Santa Clara, California) Election of 2024 General Obligation Bonds, 2026 Series A” issued and at any time Outstanding under this Agreement.

“Series A Bonds Purchaser” means _____.

“Series B Account of the Costs of Issuance Fund” means the account by that name within the Costs of Issuance Fund by name established under Section 4.04.

“Series B Account of the Project Fund” means the account by that name within the Project Fund established under Section 4.01.

“Series B Bonds” means the bonds captioned “City of Santa Clara (County of Santa Clara, California) Election of 2024 General Obligation Bonds, 2026 Series B (Qualified 501(c)(3) Bonds)” issued and at any time Outstanding under this Agreement.

“Series B Project” means the portion of the Project consisting of the renovation and rehabilitation of the International Swim Center and the renovation and rehabilitation of the Triton Museum.

“Series B Bonds Purchaser” means _____.

“Supplemental Agreement” means any agreement supplemental to or amendatory of this Agreement entered into in accordance with Article VIII hereof.

“Written Request of the City” means an instrument in writing signed by an Authorized Officer.

Section 1.02. Authority for this Agreement. This Agreement is being entered into under the authority set forth in the Act and the Resolution, constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding, to secure the full and final payment of principal of and premiums, if any, and the interest on the Bonds, all under the provisions of the Act.

ARTICLE II THE BONDS

Section 2.01. Authorization. The Series A Bonds in the aggregate principal amount of \$_____, and the Series B Bonds in the aggregate principal amount of \$_____, are hereby authorized to be issued by the City under and subject to the terms of the Act, the Bond Measure and the Resolution, and subject to the covenants, agreements, provisions and conditions herein contained.

The Series A Bonds shall be designated the "City of Santa Clara (County of Santa Clara, California) Election of 2024 General Obligation Bonds, 2026 Series A," and the Series B Bonds shall be designated the "City of Santa Clara (County of Santa Clara, California) Election of 2024 General Obligation Bonds, 2026 Series B (Qualified 501(c)(3) Bonds)."

Section 2.02. Terms of Bonds.

(a) Form; Numbering. The Bonds shall be issued as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple of \$5,000, but in an amount not to exceed the aggregate principal amount of Bonds maturing in the year of maturity of the Bond for which the denomination is specified. Bonds shall be lettered and numbered as the Paying Agent shall prescribe.

(b) Date of Bonds. The Bonds shall be dated the Closing Date.

(c) CUSIP Identification Numbers. "CUSIP" identification numbers shall be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of the Purchasers to accept delivery of and pay for the Bonds. In addition, failure on the part of the City to use such CUSIP numbers in any notice to Owners of the Bonds shall not constitute an event of default or any violation of the City's contract with such Owners and shall not impair the effectiveness of any such notice.

(d) Maturities. The Bonds shall bear interest at the rate or rates set forth below, payable on each Interest Payment date, commencing August 1, 2026, and shall mature and become payable as to principal on August 1 of the years and in the amounts as set forth below:

Series A Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate
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Series B Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate
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(e) Calculation of Interest. Each Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless:

(i) it is registered and authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or

(ii) it is registered and authenticated prior to an Interest Payment Date and after the close of business on the 15th day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or

(iii) it is registered and authenticated on or prior to July 15, 2026, in which event it shall bear interest from the date of original issuance and authentication of the Bonds;

provided, however, that if at the time of registration and authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

(f) Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check mailed on the applicable Interest Payment Date to the Owner thereof at his or her address as it appears on the registration books maintained by the Paying Agent at the close of business on the 15th day of the month preceding the Interest Payment Date, or at such other address as the Owner may have filed with the Paying Agent for that purpose; provided that an Owner of \$1,000,000 or more aggregate principal amount of Bonds, or the Owner of all of the Bonds at the time Outstanding, shall, at his or her option, receive

payment of interest by wire transfer to an account in the United States of America designated by such Owner to the Paying Agent no later than the 15th day of the month immediately preceding the applicable Interest Payment Date. Principal of the Bonds is payable in lawful money of the United States of America at the Principal Office of the Paying Agent.

Section 2.03. Redemption.

(a) Redemption.

(i) Optional Redemption of Series A Bonds. The Series A Bonds maturing on or before August 1, 20__, are not subject to redemption prior to their respective maturity dates. The Series A Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective maturity dates, at the option of the City, on any date on and after August 1, 20__, at a redemption price equal to the principal amount of the Series A Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

(ii) Optional Redemption of Series B Bonds. The Series B Bonds maturing on or before August 1, 20__, are not subject to redemption prior to their respective maturity dates. The Series B Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective maturity dates, at the option of the City, on any date on and after August 1, 20__, at a redemption price equal to the principal amount of the Series B Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

(iii) Mandatory Sinking Payment Redemption of Series A Bonds.

The Series A Bonds maturing on August 1, 20__ (the “20__ Term Series A Bonds”), are subject to mandatory sinking payment redemption in part on August 1, 20__, and on each August 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

20__ Term Series A Bonds

Redemption Date	Sinking Payments
(August 1)	

20__ (maturity)

The amounts in the foregoing table shall be reduced as a result of any prior partial optional redemption of the Series A Bonds as specified in writing by an Authorized Officer to the Paying Agent.

(iv) Mandatory Sinking Payment Redemption of Series B Bonds.

The Series B Bonds maturing on August 1, 20__ (the “20__ Term Series B Bonds”), are subject to mandatory sinking payment redemption in part on August 1, 20__, and on each August 1 thereafter to maturity, by lot, at a redemption price equal to the

principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

20__ Term Series B Bonds

Redemption Date (August 1)	Sinking Payments
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20__ (maturity)

The amounts in the foregoing table shall be reduced as a result of any prior partial optional redemption of the Series B Bonds as specified in writing by an Authorized Officer to the Paying Agent.

(b) Notice to Paying Agent. The City shall give the Paying Agent written notice of its intention to optionally redeem Series A Bonds under subsection (a)(i) or Series B Bonds under subsection (a)(ii) not less than 45 days prior to the applicable redemption date and shall specify the principal amount of Series A Bonds or Series B to be redeemed.

(c) Purchase of Bonds in Lieu of Redemption. In lieu of any redemption under subsection (a), moneys in the Bond Fund may be used and withdrawn by the Paying Agent for purchase of Outstanding Bonds, upon the filing with the Paying Agent of a written direction of an Authorized Officer requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such written direction may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if such Bonds were to be redeemed in accordance with this Agreement.

(d) Redemption Procedure by Paying Agent. The Paying Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the applicable Purchaser, to the Securities Depositories, to the Information Service, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Paying Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

Such notice shall:

(i) state the series of Bonds to be redeemed and the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the CUSIP numbers and Bond numbers of the Bonds to be redeemed by giving the individual CUSIP number and Bond number of each Bond to be redeemed or shall state that all Bonds between two stated Bond numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption;

- (ii) state as to any Bond called in part the principal amount thereof to be redeemed;
- (iii) require that the Bonds called for redemption be then surrendered at the Principal Office of the Paying Agent for redemption at the said redemption price or such other place of payment as may be designated in said notice;
- (iv) state that further interest on the Bonds called for redemption will not accrue from and after the redemption date; and
- (v) for optional redemption, state whether the notice is conditioned on the availability of funds.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Upon surrender of Bonds redeemed in part only, the City shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the City, a new Bond or Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

(e) Selection of Bonds for Redemption. Whenever provision is made in this Agreement for the redemption of less than all of the Bonds of a single maturity, the Paying Agent shall select the Bonds of that maturity to be redeemed by lot in any manner which the Paying Agent in its sole discretion deems appropriate. For purposes of such selection, the Paying Agent shall treat each Bond as consisting of separate \$5,000 portions and each such portion shall be subject to redemption as if such portion were a separate Bond.

(f) Conditional Redemption Notice and Rescission of Redemption. Any notice of optional redemption under subsection (a)(i) or (a)(ii) may specify that redemption of the Bonds designated for redemption on the specified date will be subject to the receipt by the City or the Paying Agent, as applicable, of moneys sufficient to cause such redemption (and will specify the proposed source of such moneys), and neither the City nor the Paying Agent will have any liability to the Owners of any Bonds, or any other party, as a result of the City's failure to redeem the Bonds designated for redemption as a result of insufficient moneys therefor.

Additionally, the City may rescind any optional redemption of the Bonds under subsection (a)(i) or (a)(ii), and notice thereof, for any reason on any date prior to the date fixed for such redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission. Neither the City nor the Paying Agent will have any liability to the Owners of any Bonds, or any other party, as a result of the City's decision to rescind a redemption of any Bonds under this Agreement.

(g) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and premium, if any, on the Bonds so called for redemption have been deposited in the Bond Fund, such Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the

redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed and purchased by the Paying Agent under this Section shall be canceled by the Paying Agent. The Paying Agent shall destroy the canceled Bonds and issue a certificate of destruction thereof to the City, upon request of the City.

Section 2.04. Form of Bonds. The Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon, shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, as are set forth in Exhibit A attached hereto.

Section 2.05. Execution of Bonds. The Bonds shall be executed on behalf of the City by the manual or facsimile signatures of its City Manager and Director of Finance, who serves as City treasurer, and attested by the manual or facsimile signature of its City Clerk or any Assistant City Clerk, who are in office on the date of execution of this Agreement or at any time thereafter. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Purchasers, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Purchasers. Any Bond may be signed and attested on behalf of the City by such persons as at the actual date of the execution of such Bond are the proper officers of the City although at the nominal date of such Bond any such person was not such officer of the City.

Only such Bonds as bear thereon a certificate of authentication and registration in the forms set forth in Exhibit A attached hereto, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Agreement.

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept under Section 2.08 hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the Principal Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The Paying Agent shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Paying Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (a) 15 or fewer days before the date established for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption (except with respect to the unredeemed portion thereof).

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The Paying Agent shall require the payment by the Owner requesting such

exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (a) 15 or fewer days before the date established for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption (except with respect to the unredeemed portion thereof).

Section 2.08. Bond Register. The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the City upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as herein before provided.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the City upon the same conditions and in substantially the same manner as the definitive Bonds.

If the City issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Office of the Paying Agent and the Paying Agent shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Agreement as definitive Bonds executed and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond becomes mutilated the City, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the City.

If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the City and, if such evidence be satisfactory to the City and indemnity satisfactory to it shall be given, the City, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen.

The City may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the City and the Paying Agent in the premises. Any Bond issued under the provisions of this Section 2.10 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the City whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued under this Agreement.

Section 2.11. Book-Entry; Limited Obligation of City. The Bonds may be issued in the form of a separate single fully registered Bond (which may be typewritten) for each maturity.

The ownership of such Bond shall be registered in the registration books kept by the Paying Agent in the name of the Nominee as nominee of the Depository.

With respect to Bonds registered in the registration books kept by the Paying Agent in the name of the Nominee, the City and the Paying Agent shall have no responsibility or obligation to such Participant or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than as shown in the registration books kept by the Paying Agent, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed if the Bonds are redeemed in part, or (iv) the payment to any Participant or any other person, other than a Nominee as shown in the registration books kept by the Paying Agent, of any principal of, premium, if any, or interest on the Bonds.

The City and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Paying Agent as the owner and absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on such Bond, for the purpose of giving notices of prepayment and other matters with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes whatsoever.

The Paying Agent shall pay all principal, premium, if any, and interest with respect to the Bonds, only to or upon the order of the respective Owners, as shown in the registration books kept by the Paying Agent, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Paying Agent, shall receive a Bond evidencing the obligation of the City to make payments of principal, premium, if any, and interest under this Agreement.

Upon delivery by the Depository to the Nominee, the Paying Agent and the City of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions regarding the payment of the principal of and interest on the Bonds set forth in Section 2.02(e), the word Nominee in this Agreement shall refer to such new nominee of the Depository.

Section 2.12. Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the City shall execute, seal, countersign and deliver to such Depository a letter from the City representing such matters as shall be necessary to so qualify the Bonds (the "Representation Letter"). The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.12 hereof or in any other way impose upon the City or the Paying Agent any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the registration books kept by the Paying Agent.

In the written acceptance of the Paying Agent, such Paying Agent shall agree to take all actions necessary for all representations of the City in the Representation Letter with respect to the Paying Agent to at all times be complied with. In addition to the execution and delivery of the Representation Letter, the City shall take any other actions, not inconsistent with this Agreement, to qualify the Bonds for the Depository's book-entry system.

Section 2.13. Transfers Outside Book-Entry System. The City may, by written request, at any time or for any reason, remove the Depository and appoint a successor or successors thereto. If (i) the Depository determines not to continue to act as securities depository for any series of Bonds, or (ii) the City determines that the Depository shall no longer so act, then the City will discontinue the book-entry system with the Depository. If the City fails to identify another qualified securities depository to replace the Depository then the Bonds shall no longer be restricted to being registered in the registration books kept by the Paying Agent in the name of the Nominee, but shall be registered in whatever name or names Owners of such Bonds transferring or exchanging such Bonds shall designate, in accordance with the provisions of Section 2.06.

Section 2.14. Payments and Notices to the Nominee. Notwithstanding any other provision of this Agreement to the contrary, so long as any Bond is registered in the name of the Nominee, all payments of principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed in writing by the Depository.

ARTICLE III
ISSUANCE OF BONDS; APPLICATION OF
BOND PROCEEDS; SECURITY FOR THE BONDS

Section 3.01. Issuance and Delivery of Bonds. The City is hereby authorized to issue the Series A Bonds in the aggregate original principal amount of \$_____, and the Series B Bonds in the aggregate original principal amount of \$_____, subject to the covenants, agreements, provisions and conditions herein contained.

Each Authorized Officer is hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of the Act, the Resolution and this Agreement, to authorize the payment of Costs of Issuance and costs of the Project from the proceeds of the Bonds, and to do and cause to be done any and all acts necessary or convenient for delivery of the Bonds to the Purchasers.

The Paying Agent shall deliver the Bonds to or upon the order of the Purchasers, upon receipt of a written request of the City.

Section 3.02. Application of Proceeds of Sale of Bonds.

(a) Series A Bonds. On the Closing Date, upon the receipt by the Paying Agent of the purchase price for the Series A Bonds, being \$_____ (calculated as the original principal amount of the Series A Bonds of \$_____, plus [net] original issue premium of \$_____, less the Series A Bonds Purchaser's discount of \$_____), which includes the good faith deposit of \$_____ deposited by the Series A Bonds Purchaser with the Paying Agent prior to the Closing Date, the Paying Agent shall deposit and transfer such amounts as follows:

(i) the Paying Agent shall deposit \$_____ into the Series A Account of the Costs of Issuance Fund; and

(ii) the Paying Agent shall transfer \$_____, being the remainder of the proceeds of the Series A Bonds, to the City for deposit in the Series A Account of the Project Fund.

(b) Series B Bonds. On the Closing Date, upon the receipt by the Paying Agent of the purchase price for the Series B Bonds, being \$_____ (calculated as the original principal amount of the Series B Bonds of \$_____, plus [net] original issue premium of \$_____, less the Series B Bonds Purchaser's discount of \$_____), which includes the good faith deposit of \$_____ deposited by the Series B Bonds Purchaser with the Paying Agent prior to the Closing Date, the Paying Agent shall deposit and transfer such amounts as follows:

(i) the Paying Agent shall deposit \$_____ into the Series B Account of the Costs of Issuance Fund; and

(ii) the Paying Agent shall transfer \$_____, being the remainder of the proceeds of the Series B Bonds, to the City for deposit in the Series B Account of the Project Fund.

Section 3.03. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of the Project or upon the performance by any person of his or her obligation with respect to such Project.

Section 3.04. Security for the Bonds.

(a) General. The Bonds are general obligations of the City and the City has the power, is obligated and hereby covenants to levy *ad valorem* property taxes upon all property within the City subject to taxation by the City, without limitation of rate or amount (except with respect to certain personal property which is taxed at limited rates), for the payment of the Bonds and the interest thereon, in accordance with all relevant provisions of law.

The City hereby pledges all revenues from the property taxes collected from the levy by the County for the payment of the Bonds, and amounts on deposit in the Debt Service Fund and the Bond Fund established hereunder, to the City's payment of the principal or redemption price of and interest on the Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the Bonds.

Under California Government Code section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax securing the Bonds. The lien shall automatically arise without the need for any action or authorization by the City or the City Council. The lien is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the tax shall be immediately subject to the lien, and the lien shall immediately attach to the revenues and be effective, binding, and enforceable against the local agency, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

(b) Limitation of Liability. The Bonds do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the City, or any of the officers, agents or employees thereof.

Section 3.05. Levy and Collection of Taxes.

(a) Levy, Collection and Deposit. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year. Annually on or before the date specified by law, the City shall furnish to the appropriate County officials such information as required regarding the debt service requirements for the Bonds during the next ensuing fiscal year (unless such information is provided to the County for the full term of the Bonds following the sale thereof).

(b) Excess Collections. In the event of an excess collection of property taxes, the excess amount will be segregated into a separate account within the Bond Fund and held as a reasonably required reserve for debt service on the Bonds during the next following year, and the amount established to be collected from property taxes for such year will be reduced by the amount held in such reserve. Amounts in such segregated account will not exceed the lesser of maximum annual debt service on the Bonds, 10% of the issue price of the Bonds, and 125% of average annual debt service on the Bonds. Interest earnings and gains will be deposited in the Bond Fund and applied to the payment of debt service on the Bonds.

ARTICLE IV FUNDS AND ACCOUNTS

Section 4.01. Project Fund.

(a) There is hereby established the Project Fund to be held by the Paying Agent as a separate fund, to be maintained distinct from all other funds of the Paying Agent. Within the Project Fund there is hereby established the Series A Account of the Project Fund, to the credit of which a deposit shall be made as required by Section 3.02(a)(ii), and the Series B Account of the Project Fund, to the credit of which a deposit shall be made as required by Section 3.02(b)(ii). The Project Fund and each account therein shall be maintained by the Paying Agent as a separate fund or account.

(b) Moneys in the Project Fund and the accounts therein shall be held by the Paying Agent for the benefit of the City and shall be disbursed for the payment or reimbursement of Project Costs. The Paying Agent shall disburse amounts in the Project Fund for Project Costs upon receipt of a certificate requesting disbursement executed by an Authorized Officer substantially the form set forth in Exhibit B hereto. The City shall ensure that the costs of the Series B Project are paid solely from amounts in the Series B Account of the Project Fund. The Paying Agent shall be fully protected in relying upon any such certificate without independent inquiry or investigation.

(c) Upon the filing with the Paying Agent of a certificate executed by an Authorized Officer stating the City's determination that no further Project Costs are required to be paid from the Series A Account of the Project Fund, any amounts remaining in the Series A Account of the Project Fund shall be transferred to the Debt Service Fund and used to pay to pay interest on the Series A Bonds on the next Interest Payment Date. Following such transfers, the City shall close the Series A Account of the Project Fund.

Upon the filing with the Paying Agent of a certificate executed by an Authorized Officer stating the City's determination that no further Project Costs are required to be paid from the Series B Account of the Project Fund, any amounts remaining in the Series B Account of the Project Fund shall be transferred to the Debt Service Fund and used to pay to pay interest on the Series B Bonds on the next Interest Payment Date. Following such transfers, the City shall close the Series B Account of the Project Fund.

Section 4.02. Debt Service Fund.

(a) There is hereby established the Debt Service Fund to be held by the City as a separate fund, to be maintained distinct from all other funds of the City. All taxes levied by the County for the payment of the principal of and interest and premium (if any) on the Bonds, as directed by the City herein, shall be deposited in the Debt Service Fund by the City promptly upon the receipt thereof from the County. Alternatively, the City may direct the County to transfer such taxes, in whole or in part, directly to the Paying Agent for deposit in the Bond Fund. the purpose of making payments of principal of and interest and premium (if any) on the Bonds.

The Debt Service Fund is hereby pledged for the payment of the principal of and interest and premium (if any) on the Bonds when and as the same become due.

At least three Business Days prior to each Interest Payment Date, the City shall transfer to the Paying Agent moneys on deposit in the Debt Service Fund, for deposit by the Paying Agent

in the Bond Fund, in an amount sufficient for the payment of principal of and interest on the Bonds on the next succeeding Interest Payment Date.

If, after payment in full of the Bonds, any amounts remain on deposit in the Debt Service Fund, the City shall transfer such amounts to its general fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Section 4.03. Bond Fund. There is hereby established as a separate fund the Bond Fund, to be held by the Paying Agent. All moneys received by the Paying Agent from the City or the County under Section 4.02 shall be deposited into the Bond Fund. The moneys on deposit in the Bond Fund shall be used solely to pay principal and interest on the Bonds when due.

Section 4.04. Costs of Issuance Fund. There is hereby established as a separate fund the Costs of Issuance Fund, to be held by the Paying Agent. Within the Costs of Issuance Fund there is hereby established the Series A Account of the Costs of Issuance Fund, to the credit of which a deposit shall be made as required by Section 3.02(a)(i), and the Series B Account of the Costs of Issuance Fund, to the credit of which a deposit shall be made as required by Section 3.02(b)(i).

The moneys in the Series A Account of the Costs of Issuance Fund shall be used for the purpose of paying Costs of Issuance with respect to the Series A Bonds, and the moneys in the Series B Account of the Costs of Issuance Fund shall be used for the purpose of paying Costs of Issuance with respect to the Series B Bonds. The Paying Agent shall make disbursements from the Costs of Issuance Fund and the accounts therein upon receipt of a certificate requesting disbursement executed by an Authorized Officer substantially the form set forth in Exhibit C hereto.

On the date falling 90 days after the Closing Date, the Paying Agent shall transfer any funds remaining in the Series A Account of the Costs of Issuance Fund to the Series A Account of the Project Fund, and shall transfer any funds remaining in the Series B Account of the Costs of Issuance Fund to the Series B Account of the Project Fund. Following such transfers, the Paying Agent shall close the Costs of Issuance Fund and the accounts therein.

Section 4.05. Investment of Moneys.

(a) **Investments.** Moneys in the Debt Service Fund, and any accounts therein, shall be invested by the City in Permitted Investments maturing prior to the date on which such moneys are required to be paid out hereunder.

Moneys in the Project Fund, the Bond Fund and the Costs of Issuance Fund, and any accounts therein, shall be invested by the Paying Agent, at the written direction of the City, in Permitted Investments maturing prior to the date on which such moneys are required to be paid out hereunder.

Obligations purchased as an investment of moneys in any of such funds and accounts shall at all times be deemed to be part of each such respective fund and account so invested, and all interest, gain or loss on the investment of moneys in such respective fund and accounts shall be credited or charged thereto.

The Paying Agent or an affiliate may act as principal or agent of the City in the making or disposing of any investment. The Paying Agent shall not be responsible for any loss in the

disposing of any investment or any other consequences for investments made in accordance with this Section. The Paying Agent may conclusively rely upon the City's written instructions as to both the suitability and legality of the directed investments and such written direction shall be deemed to be a certification to the Paying Agent that such directed investments constitute Permitted Investments. The Paying Agent shall be entitled to assume that any investment which at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter (including for reinvestment purposes), absent receipt of written notice to the contrary.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Paying Agent shall furnish the City periodic cash transaction statements which shall include detail for all investment transactions made by the City hereunder.

(b) Acquisition, Disposition and Valuation of Investments. The City covenants that all investments of amounts deposited in any fund or account created by or under this Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Tax Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Tax Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Tax Code).

ARTICLE V OTHER COVENANTS OF THE CITY

Section 5.01. Punctual Payment. The City will punctually pay, or cause to be paid, the principal of and interest on the Bonds, in strict conformity with the terms of the Bonds and of this Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and of the Bonds. Nothing herein contained shall prevent the City from making advances of its own moneys, howsoever derived, to any of the uses or purposes permitted by law.

Section 5.02. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the City will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and will not, directly or indirectly, approve any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the City, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

Section 5.03. Payment of Claims. The City will pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the project financed with the proceeds of the Bonds which might impair the security of the Bonds. Nothing herein contained shall require the City to make any such payment so long as the City in good faith shall contest the validity of said claims.

Section 5.04. Books and Accounts. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City in which complete and correct entries shall be made of all transactions relating to the project financed with proceeds of the Bonds. Such books of record and accounts shall at all times during business hours be subject to inspection by the Owners of not less than 10% of the principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

Section 5.05. Protection of Security and Rights of Bondholders. The City will preserve and protect the security of the Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

Section 5.06. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the terms of the Continuing Disclosure Certificates. Notwithstanding any other provision of this Agreement, failure of the City to comply with either Continuing Disclosure Certificate shall not be an Event of Default under Section 7.01 hereof; provided, however, any Participating Underwriter, any Owner or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section 5.06 and the applicable Continuing Disclosure Certificate.

Section 5.07. Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the

better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Agreement.

Section 5.08. Tax Covenants.

(a) Series A Bonds.

(i) Generally. The City shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, interest on the Series A Bonds to become includable in gross income for federal income tax purposes.

(ii) Private Activity Bond Limitation. The City will assure that the proceeds of the Series A Bonds are not so used as to cause the Series A Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(iii) Federal Guarantee Prohibition. The City will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Series A Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(iv) Rebate of Excess Investment Earnings. The City shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the Series A Bonds which are required to be rebated to the United States of America under Section 148(f) of the Code, at the times and in the manner required under the Code. The City shall pay when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Code, such payments to be made from any source of legally available funds of the City. The City shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Series A Bonds, records of the determinations made under this subsection.

(v) No Arbitrage. The City will not take, or permit or suffer to be taken by the Paying Agent or otherwise, any action with respect to the proceeds of the Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series A Bonds would have caused the Series A Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(vi) Maintenance of Tax-Exemption. The City will take all actions necessary to assure the exclusion of interest on the Series A Bonds from the gross income of the Owners of the Series A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series A Bonds.

(vii) Record Retention. The City will retain its records of all accounting and monitoring it carries out with respect to the Series A Bonds for at least 3 years after the Series A Bonds mature or are redeemed (whichever is earlier), except as otherwise set forth in paragraph (iv) above with respect to rebate; however, if the Series A Bonds are redeemed and refunded, the City will retain its records of accounting and monitoring at

least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Series A Bonds.

(b) Series B Bonds.

(i) Generally. The City shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, interest on the Series B Bonds to become includable in gross income for federal income tax purposes.

(ii) Private Activity Bond Limitation. The City shall assure that the proceeds of the Series B Bonds are not used in a manner which would cause the Series B Bonds to become "private activity bonds" within the meaning of section 141(a) of the Code or to meet the private loan financing test of Section 141(c) of the Code.

(iii) Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series B Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(iv) No Arbitrage. The City shall not take, or permit or suffer to be taken by the Paying Agent or otherwise, any action with respect to the Series B Bond proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the Series B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(v) Rebate of Excess Investment Earnings. The City shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the Series B Bonds which are required to be rebated to the United States of America under Section 148(f) of the Code, at the times and in the manner required under the Code. The City shall pay when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Code, such payments to be made from any source of legally available funds of the City. The City shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Series B Bonds, records of the determinations made under this subsection.

(vi) Maintenance of Tax-Exemption. The City will take all actions necessary to assure the exclusion of interest on the Series B Bonds from the gross income of the Owners of the Series B Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series B Bonds.

(vii) Record Retention. The City will retain its records of all accounting and monitoring it carries out with respect to the Series B Bonds for at least 3 years after the Series B Bonds mature or are redeemed (whichever is earlier), except as otherwise set forth in paragraph (v) above with respect to rebate; however, if the Series B Bonds are redeemed and refunded, the City will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Series B Bonds.

(viii) Limitation of Expenditure of Proceeds. The City covenants that not less than 95% of the net proceeds of the Series B Bonds (being the face amount of the Series B Bonds, plus any premium paid on the purchase of the Series B Bonds by the Series B Bonds Purchaser, less any original issue discount), plus investment earnings thereon, will be paid for Qualified Project Costs.

For purposes of this paragraph, "Qualified Project Costs" means Project Costs of the Series B Project that are properly chargeable to a capital account and, to the extent that such expenditures do not exceed 5% of the sale proceeds of the Series B Bonds, non-capital costs that are directly related to the Series B Project. Qualified Project Costs do not include (A) costs and expenses for portions of the Series B Project to be used for activities constituting unrelated trades or businesses determined by applying section 513(a) of the Code, (B) amounts to be used to reimburse expenditures paid before the date of issuance of the Series B Bonds, or (C) costs of issuance of the Series B Bonds. In addition, interest during the construction period will be allocated between Qualified Project Costs and other costs and expenses to be paid from the proceeds of the Series B Bonds, and interest following the construction period will not constitute a Qualified Project Cost. Letter of credit fees and municipal bond insurance premiums which represent a transfer of credit risk will be allocated between Qualified Project Costs and other costs and expenses to be paid from the proceeds of the Series B Bonds; and letter of credit fees and municipal bond insurance premiums which do not represent a transfer of the credit risk will not constitute Qualified Project Costs.

(ix) Ownership and Use of Financed Property. The City will assure that the proceeds of the Series B Bonds are expended so as to cause the Series B Bonds to constitute "qualified 501(c)(3) bonds" within the meaning of section 145 of the Code and covenants as follows:

(A) all property financed with the net proceeds of the Series B Bonds will be owned (as ownership is determined for purposes of federal income taxation) by the City, or by an organization described in section 501(c)(3) of the Code, or by a governmental unit;

(B) no more than 5% of the net proceeds of the Series B Bonds will be used in a manner as to cause the Series B Bonds to satisfy the private business tests of section 141(b) of the Code determined by treating, for this purpose, 501(c)(3) organizations as governmental units with respect to their activities that do not constitute unrelated trades or businesses within the meaning of section 513(a) of the Code;

(C) no part in excess of 5% of the portion of the Series B Project will be used for (i) activities constituting an "unrelated trade or business," determined by applying section 513(a) of the Code, or (ii) activities constituting any trade or business of an entity other than an organization described in section 501(c)(3) of the Code or a governmental unit;

(D) no portion of the proceeds of the Series B Bonds will be used to provide any airplane, skybox or other private luxury box, facility primarily used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises, within the meaning of section 147(e) of the Code;

(E) no portion of the proceeds of the Series B Bonds will be used to finance or refinance any facility, place or building to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship; and

(F) the City will comply with its covenants set forth in the Certificate Regarding Use of Proceeds related to the Series B Bonds.

(x) Costs of Issuance Limitation. The City covenants that no portion of the proceeds of the Series B Bonds will be used for costs of issuance of the Series B Bonds in excess of an amount equal to 2% of the proceeds of the Series B Bonds, within the meaning of section 147(g)(1) of the Code. For this purpose, if the fees of the Series B Bonds Purchaser are retained as a discount on the purchase of the Series B Bonds, such retention shall be deemed to be an expenditure of proceeds of the Series B Bonds for said fees.

(xi) \$150,000,000 Limitation. The City covenants to comply with the provisions of section 145(b) of the Code so as to assure that the aggregate amount of bonds allocated to the City does not exceed the limits specified in that section.

(xii) Status as a 501(c)(3) Corporation. The City shall require that any user, lessee or other entity that has pre-emptive rights or privileges with respect to use of the Series B Project (the "User") to provide an annual written certification to the City that contains the following:

(A) The User has received certain determination letters from the Internal Revenue Service classifying it as an organization (a) described in section 501(c)(3) of the Code which is exempt from federal income taxation under section 501(a) of the Code (except with respect to "unrelated business taxable income" within the meaning of section 512(a) of the Code) and (b) which is not a "private foundation" as defined in section 509(a) of the Code (together, the "Determination Letters").

(B) Such Determination Letters have not been modified, limited, revoked or superseded.

(C) The User has not received any indication or notice, written or oral, from representatives of the Internal Revenue Service to the effect that its exemption under section 501(c)(3) of the Code has been modified, limited, revoked, or superseded, or that the Internal Revenue Service is considering modifying, limiting, revoking or superseding such exemption.

(D) The User is in compliance with all of the terms, conditions and limitations, if any, contained in the Determination Letters.

(E) There has been no change in the facts and circumstances represented to the Internal Revenue Service as a basis for receiving, and which formed the basis on which the Internal Revenue Service issued, the Determination Letters relating to the status of the User as an organization described in section 501(c)(3) of the Code and as an organization which is not a "private foundation" as defined in section 509 of the Code of a nature or to a degree as would warrant any

action by the Internal Revenue Service to modify, limit, revoke or supersede such Determination Letter as it applies to the User.

(F) No administrative or judicial proceedings are pending or threatened which may, in any way, adversely affect the classification of the User as an organization (a) described in section 501(c)(3) of the Code which is exempt from federal income taxation under section 501(a) of the Code and (b) which is not a "private foundation" as defined in section 509 of the Code.

(G) The User is an organization organized and operated exclusively for charitable purposes and not for pecuniary profit, within the meaning of the Securities Act of 1933, as amended, and no part of the net earnings of the User inures to the benefit of any person, private stockholder or individual, within the meaning of section 3(a)(4) of the Securities Act of 1933, as amended.

(H) The User has consulted with counsel qualified and experienced in federal tax matters pertaining to 501(c)(3) corporations in making the determinations necessary to make these representations and covenants pertaining to complying with federal tax requirements with respect to the Series B Bonds.

ARTICLE VI THE PAYING AGENT

Section 6.01. Appointment of Paying Agent. U.S. Bank Trust Company, National Association, at its Principal Office in San Francisco, California, or in such other location as approved by the City, is hereby appointed Paying Agent for the Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and, even during the continuance of an Event of Default, no implied covenants or obligations shall be read into this Agreement against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Agreement by executing and delivering to the City this Agreement.

The City may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business in the State of California, having (or, if such bank or trust company is a member of a bank holding company, its parent holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the City and the Bondholders of such resignation. Upon receiving notice of such resignation, the City shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

Section 6.02. Paying Agent May Hold Bonds. The Paying Agent may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

Section 6.03. Liability of Agents. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the City, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Agreement. The Paying Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Paying Agent, the Paying Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement.

The Paying Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Paying Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 6.04. Notice to Agents. The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be of counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Agreement the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the City, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Agreement upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 6.05. Compensation, Indemnification. The City shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Agreement. An Authorized Officer is hereby authorized to execute an agreement or agreements with the Paying Agent in connection with such fees and expenses. The City further agrees to indemnify and save the Paying Agent, its officers, employees, directors and agents, harmless against any liabilities, costs, claims and expenses of any kind which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith. Such indemnification shall survive the termination of this Agreement or the resignation and removal of the Paying Agent.

Section 6.06. Funds and Accounts. The Paying Agent may establish such funds and accounts as it reasonably deems necessary or appropriate to perform its obligations under this Agreement.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDOWNERS

Section 7.01. Events of Default. The following shall constitute Events of Default under this Agreement:

(a) if default is made by the City in the due and punctual payment of the principal of any Bond when and as the same becomes due and payable, whether at maturity as therein expressed or by declaration or otherwise; and

(b) if default is made by the City in the due and punctual payment of any installment of interest or premium on any Bond when and as such interest or premium installment becomes due and payable.

Section 7.02. Remedies of Bondowners. Upon the occurrence of an Event of Default, any Bondowner shall have the right, for the equal benefit and protection of all Bondowners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the City and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Agreement and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the City and the fulfillment of all duties imposed upon it; or

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bondowners' rights.

Section 7.03. Non-Waiver. Nothing in this Article or in any other provision of this Agreement, or in the Bonds, shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal of and interest and premium, if any, on the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Bondowner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Bondowners by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Bondowners, the City and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 7.04. Remedies Not Exclusive. No remedy herein conferred upon the Owners of Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Bondowners.

ARTICLE VIII SUPPLEMENTAL AGREEMENTS

Section 8.01. Amendments Permitted. With respect to any series of Bonds that are affected by a proposed amendment, this Agreement and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the *ad valorem* taxes of the taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Paying Agent without its written consent.

This Agreement and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

- (a) to add to the covenants and agreements of the City in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;
- (b) to make modifications not adversely affecting any outstanding series of Bonds of the City in any material respect;
- (c) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the City and the Paying Agent may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the rights of the Owners of the Bonds;
- (d) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with the provisions of the Code relating to required rebate of excess investment earnings to the United States, assure exclusion from gross income for federal income tax purposes of interest on the Bonds, or otherwise conform with the Code or the regulations promulgated under the Code; and
- (e) to make any other change that does not materially adversely effect the Owners of the Bonds.

Section 8.02. Owners' Meetings. The City may at any time call a meeting of the Owners. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 8.03. Procedure for Amendment with Written Consent of Owners. The City and the Paying Agent may at any time adopt a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. The Paying Agent shall mail a copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, by first class mail to each Owner of Bonds Outstanding that are affected by a proposed amendment, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as provided in this Section.

Such Supplemental Agreement shall not become effective unless there shall be filed with the Paying Agent the written consents of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding that are affected by a proposed amendment (exclusive of Bonds disqualified as provided in Section 8.04) and a notice has been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which shall be such as is permitted by Section 9.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Paying Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds have filed their consents to the Supplemental Agreement, the City shall mail a notice to the Owners by first class mail stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). The City shall file proof of the mailing of such notice with the Paying Agent. A record, consisting of the papers required by this Section to be filed with the Paying Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective and shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City, the Paying Agent and the Owners of all Bonds at the expiration of 60 days after the filing by the City with the Paying Agent of the proof of mailing of such notice, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60-day period.

Section 8.04. Disqualified Bonds. Bonds owned or held for the account of the City, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article VIII.

Section 8.05. Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective under this Article, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the City and all owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 8.06. Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of such Owner's Bond for that purpose at the Principal Office of the Paying Agent or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Paying Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.07. Amendatory Endorsement of Bonds. The provisions of this Article VIII shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

ARTICLE IX MISCELLANEOUS

Section 9.01. Benefits of Agreement Limited to Parties. Nothing in this Agreement, expressed or implied, is intended to give to any person other than the City, the Paying Agent and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Paying Agent.

Section 9.02. Successor is Deemed Included in All References to Predecessor.

Whenever in this Agreement or any Supplemental Agreement either the City or the Paying Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Agreement contained by or on behalf of the City or the Paying Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Discharge of Agreement. The City shall have the option to pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(a) by paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(b) by depositing with the Paying Agent or other agent designated by the City, in trust, at or before maturity, money which, together with, in the event of a discharge of all of the Bonds, the amounts then on deposit in the funds and accounts provided for in Sections 4.02 and 4.03 is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums; or

(c) by irrevocably depositing with the Paying Agent or other agent designated by the City, in trust, cash and Federal Securities in such amount as the City shall determine as confirmed by an independent certified public accountant will, together with the interest to accrue thereon and, in the event of a discharge of all of the Bonds, moneys then on deposit in the fund and accounts provided for in Sections 4.02 and 4.03, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

If the City has taken any of the actions specified in (a), (b) or (c) above, and if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in this Agreement or provision satisfactory to the Paying Agent has been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds have not been surrendered for payment, the pledge of the funds and moneys provided for in this Agreement and all other obligations of the City under this Agreement with respect to such Bonds Outstanding shall cease and terminate. Notice of such election shall be filed with the Paying Agent.

Notwithstanding the foregoing, the obligation of the City to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and all amounts owing to the Paying Agent under Section 6.05 shall continue in any event.

Upon compliance by the City with the foregoing with respect to all Bonds Outstanding, any funds held by the Paying Agent after payment of all fees and expenses of the Paying Agent, which are not required for the purposes of the preceding paragraph, shall be paid over to the City.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Agreement may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Paying Agent in good faith and in accordance therewith.

Section 9.05. Waiver of Personal Liability. No member, officer, agent or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.06. Notices to and Demands on City and Paying Agent. Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Paying Agent to or on the City may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the City with the Paying Agent) to:

City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050
Attn: Director of Finance

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the City to or on the Paying Agent may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Paying Agent with the City) to:

U.S. Bank Trust Company, National Association
One California Street, Suite 2600
San Francisco, CA 94108
Attn: Corporate Trust

Section 9.07. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Agreement is for any reason held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The City hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 9.08. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Paying Agent in trust for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two years after the date when the payments of such principal, interest and premium have become payable, if such moneys were held by the Paying Agent at such date, shall be repaid by the Paying Agent to the City as its absolute property free from any trust hereunder, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the City for the payment of the principal of, and interest and any premium on, such Bonds.

Section 9.09. Applicable Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 9.10. Conflict with Act. In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 9.11. Conclusive Evidence of Regularity. Bonds issued under this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the *ad valorem* taxes securing the payment of the Bonds.

Section 9.12. Payment on Business Day. In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken under this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 9.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the City has caused this Agreement to be executed in its name and the Paying Agent has caused this Agreement to be executed in its name, all as of the date first written above.

CITY OF SANTA CLARA

By:_____

Jōvan Grogan
City Manager

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Paying Agent

By:_____

Authorized Officer

EXHIBIT A
FORM OF SERIES A BOND

No. _____ \$ _____

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SANTA CLARA**

**CITY OF SANTA CLARA
ELECTION OF 2024 GENERAL OBLIGATION BONDS,
2026 SERIES A**

Interest Rate	Maturity Date	Issue Date	CUSIP
	August 1, _____	_____, 2026	

REGISTERED OWNER: Cede & Co.

PRINCIPAL SUM: _____ DOLLARS

The CITY OF SANTA CLARA, a charter city duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless (i) this Bond is authenticated on an interest payment date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to an interest payment date and after the close of business on the fifteenth day of the month preceding such interest payment date, in which event it shall bear interest from such interest payment date, or (iii) this Bond is authenticated on or prior to July 15, 2026, in which event it shall bear interest from the Issue Date stated above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond) until payment of such Principal Sum in full, at the rate per annum stated above, payable on February 1 and August 1 in each year, commencing August 1, 2026, calculated on the basis of 360-day year composed of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable at the corporate trust office of U.S. Bank Trust Company, National Association (the "Paying Agent"), in San Francisco, California, or in such other location as approved by the City. Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check mailed on the applicable Interest Payment Date to the Owner at his or her address as it appears on the registration books maintained by the Paying Agent as of the close of business on the fifteenth day of the month next preceding such interest payment date, or at such other address as the Owner may have filed with the Paying Agent for that purpose.

This Bond is one of a duly authorized issue of bonds of the City designated as "City of Santa Clara (County of Santa Clara, California) Election of 2024 General Obligation Bonds, 2026 Series A" (the "Bonds"), in an aggregate original principal amount of \$_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions) and all issued under Article 4.5 (commencing with Section 53506) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), a resolution adopted by the City Council of the City on _____, 2026 (the "Resolution"), and a Paying Agent Agreement dated as of February 1, 2026 (the "Agreement") between the City and the Paying Agent. Reference is hereby made to the Resolution and the Agreement (copies of which are on file at the office of the Paying Agent) and the Act for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the City thereunder, to all of the provisions of which the Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued to finance the costs of acquiring and constructing certain public capital improvements within the City authorized by Measure I, which was approved by more than two-thirds of the electors voting at an election duly and regularly held in the City on November 5, 2024.

This Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Agreement) are general obligations of the City and the City has the power, is obligated and has covenanted to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon, in accordance with all relevant provisions of law. The City has covenanted in the Agreement to direct the County of Santa Clara to levy and collect such *ad valorem* taxes in such amounts and at such times as necessary to ensure the timely payment of debt service on the Bonds.

The Bonds maturing on or before August 1, 20___, are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after August 1, 20___, are subject to redemption prior to their respective maturity dates, at the option of the City, on any date on and after August 1, 20___, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

The Bonds maturing on August 1, 20___ (the "20___ Term Bonds"), are subject to mandatory sinking payment redemption in part on August 1, 20___, and on each August 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

20___ Term Bonds

Redemption Date (August 1)	Sinking Payments
---------------------------------------	-----------------------------

20___ (maturity)

The amounts in the foregoing table shall be reduced as a result of any prior partial optional redemption of the Bonds as specified in writing by an Authorized Officer to the Paying Agent.

As provided in the Agreement, the Paying Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Paying Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Agreement, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Bonds are issuable as fully registered Bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Agreement, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Paying Agent in San Francisco, California, but only in the manner and subject to the limitations provided in the Agreement, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The City and the Paying Agent may treat the Owner hereof as the absolute owner hereof for all purposes, and the City and the Paying Agent shall not be affected by any notice to the contrary.

The Agreement may be amended without the consent of the Owners of the Bonds to the extent set forth in the Agreement.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Agreement.

This Bond shall not be entitled to any benefit under the Agreement or become valid or obligatory for any purpose until the Certificate of Authentication hereon has been signed by the Paying Agent.

IN WITNESS WHEREOF, the City of Santa Clara has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of its City Manager, its Director of Finance, and attested with the facsimile signature of its Assistant City Clerk, all as of the Issue Date stated above.

CITY OF SANTA CLARA

By: _____
Jōvan Grogan
City Manager

By: _____
Kenn Lee
Director of Finance

ATTEST:

Nora Pimental, MMC
Assistant City Clerk

[FORM OF PAYING AGENT'S CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Agreement.

Date of Authentication: _____, 2026

U.S. Bank Trust Company, National
Association,
as Paying Agent

Authorized Signatory

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto the within

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint
_____, attorney, to transfer the same on the registration books of the Paying Agent, with full power
of substitution in the premises.

Dated: _____

Notice: The signature(s) on this assignment
must correspond with the name(s) as written on
the face of the within Bond in every particular
without alteration or enlargement or any change
whatsoever.

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by
a qualified guarantor institution

FORM OF SERIES B BOND

No. _____ \$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SANTA CLARA

CITY OF SANTA CLARA
ELECTION OF 2024 GENERAL OBLIGATION BONDS,
2026 SERIES B (QUALIFIED 501(C)(3) BONDS)

Interest Rate	Maturity Date	Issue Date	CUSIP
	August 1, _____	_____, 2026	

REGISTERED OWNER: Cede & Co.

PRINCIPAL SUM: _____ DOLLARS

The CITY OF SANTA CLARA, a charter city duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless (i) this Bond is authenticated on an interest payment date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to an interest payment date and after the close of business on the fifteenth day of the month preceding such interest payment date, in which event it shall bear interest from such interest payment date, or (iii) this Bond is authenticated on or prior to July 15, 2026, in which event it shall bear interest from the Issue Date stated above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond) until payment of such Principal Sum in full, at the rate per annum stated above, payable on February 1 and August 1 in each year, commencing August 1, 2026, calculated on the basis of 360-day year composed of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable at the corporate trust office of U.S. Bank Trust Company, National Association (the "Paying Agent"), in San Francisco, California, or in such other location as approved by the City. Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check mailed on the applicable Interest Payment Date to the Owner at his or her address as it appears on the registration books maintained by the Paying Agent as of the close of business on the fifteenth day of the month next preceding such interest payment date, or at such other address as the Owner may have filed with the Paying Agent for that purpose.

This Bond is one of a duly authorized issue of bonds of the City designated as "City of Santa Clara (County of Santa Clara, California) Election of 2024 General Obligation Bonds, 2026 Series B (Qualified 501(c)(3) Bonds)" (the "Bonds"), in an aggregate original principal amount of \$_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions) and all issued under Article 4.5 (commencing with Section 53506) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), a resolution adopted by the City Council of the City on _____, 2026 (the "Resolution"), and a Paying Agent Agreement dated as of February 1, 2026 (the "Agreement") between the City and the Paying Agent. Reference is hereby made to the Resolution and the Agreement (copies of which are on file at the office of the Paying Agent) and the Act for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the City thereunder, to all of the provisions of which the Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued to finance the costs of acquiring and constructing certain public capital improvements within the City authorized by Measure I, which was approved by more than two-thirds of the electors voting at an election duly and regularly held in the City on November 5, 2024.

This Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Agreement) are general obligations of the City and the City has the power, is obligated and has covenanted to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon, in accordance with all relevant provisions of law. The City has covenanted in the Agreement to direct the County of Santa Clara to levy and collect such *ad valorem* taxes in such amounts and at such times as necessary to ensure the timely payment of debt service on the Bonds.

The Bonds maturing on or before August 1, 20___, are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after August 1, 20___, are subject to redemption prior to their respective maturity dates, at the option of the City, on any date on and after August 1, 20___, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

The Bonds maturing on August 1, 20___ (the "20___ Term Bonds"), are subject to mandatory sinking payment redemption in part on August 1, 20___, and on each August 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

20___ Term Bonds

Redemption Date (August 1)	Sinking Payments
---------------------------------------	-----------------------------

20___ (maturity)

The amounts in the foregoing table shall be reduced as a result of any prior partial optional redemption of the Bonds as specified in writing by an Authorized Officer to the Paying Agent.

As provided in the Agreement, the Paying Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Paying Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Agreement, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Bonds are issuable as fully registered Bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Agreement, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Paying Agent in San Francisco, California, but only in the manner and subject to the limitations provided in the Agreement, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The City and the Paying Agent may treat the Owner hereof as the absolute owner hereof for all purposes, and the City and the Paying Agent shall not be affected by any notice to the contrary.

The Agreement may be amended without the consent of the Owners of the Bonds to the extent set forth in the Agreement.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Agreement.

This Bond shall not be entitled to any benefit under the Agreement or become valid or obligatory for any purpose until the Certificate of Authentication hereon has been signed by the Paying Agent.

IN WITNESS WHEREOF, the City of Santa Clara has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of its City Manager, its Director of Finance, and attested with the facsimile signature of its Assistant City Clerk, all as of the Issue Date stated above.

CITY OF SANTA CLARA

By: _____
Jōvan Grogan
City Manager

By: _____
Kenn Lee
Director of Finance

ATTEST:

Nora Pimental, MMC
Assistant City Clerk

[FORM OF PAYING AGENT'S CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Agreement.

Date of Authentication: _____

U.S. Bank Trust Company, National
Association,
as Paying Agent

Authorized Signatory

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto the within

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint
_____, attorney, to transfer the same on the registration books of the Paying Agent, with full power
of substitution in the premises.

Dated: _____

Notice: The signature(s) on this assignment
must correspond with the name(s) as written on
the face of the within Bond in every particular
without alteration or enlargement or any change
whatsoever.

Signature Guaranteed:

Notice: Signature(s) must be guaranteed by
a qualified guarantor institution

EXHIBIT B
FORM OF PROJECT FUND REQUISITION

\$ _____
City of Santa Clara
(County of Santa Clara, California)
Election of 2024 General Obligation Bonds,
2026 Series A

\$ _____
City of Santa Clara
(County of Santa Clara, California)
Election of 2024 General Obligation Bonds,
2026 Series B (Qualified 501(c)(3) Bonds)

WRITTEN REQUISITION NO. _____
FOR DISBURSEMENT FROM THE PROJECT FUND

The undersigned hereby states and certifies as follows:

(i) The undersigned is the _____ of the City of Santa Clara (the "City"), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same.

(ii) Pursuant to Section 4.01 of that certain Paying Agent Agreement dated as of February 1, 2026 (the "Paying Agent Agreement"), by and between the City and U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"), the undersigned hereby authorizes the disbursement from the Project Fund established under the Paying Agent Agreement, for the Project Costs set forth on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such cost for the purposes set forth on Schedule A, and all such payments shall be made by check or wire transfer in accordance with payment instructions contained in Schedule A. The Paying Agent shall have no duty or obligation to authenticate such payment instructions or the authorization thereof.

(iii) The amounts to be disbursed constitute Project Costs.

(iv) Such amounts are required to be disbursed pursuant to a contract entered into by or on behalf of the City, or were necessarily and reasonably incurred and such amounts are not being paid in advance of the time, if any, fixed for payment.

(v) No amount set forth in Schedule A was included in any certificate requesting disbursement of Project Costs previously filed with the Paying Agent pursuant to Section 4.01 of the Paying Agent Agreement.

Capitalized terms not otherwise defined shall have the meanings set forth in the Paying Agent Agreement.

Dated: _____

CITY OF SANTA CLARA

By _____

Title _____

SCHEDULE A

Payee Name and Address	Purpose of Obligation	Series A Account Disbursement Amount	Series B Account Disbursement Amount
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EXHIBIT C
FORM OF COSTS OF ISSUANCE FUND REQUISITION

\$ _____
City of Santa Clara
(County of Santa Clara, California)
Election of 2024 General Obligation Bonds,
2026 Series A

\$ _____
City of Santa Clara
(County of Santa Clara, California)
Election of 2024 General Obligation Bonds,
2026 Series B (Qualified 501(c)(3) Bonds)

WRITTEN REQUISITION NO. _____
FOR DISBURSEMENT FROM THE COSTS OF ISSUANCE FUND

The undersigned hereby states and certifies as follows:

- (i) The undersigned is the _____ of the City of Santa Clara (the "City"), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same.
- (ii) Pursuant to Section 4.04 of that certain Paying Agent Agreement dated as of February 1, 2026 (the "Paying Agent Agreement"), by and between the City and U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"), the undersigned hereby authorizes the disbursement from the Costs of Issuance Fund established under the Paying Agent Agreement, for the costs set forth on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such cost for the purposes set forth on Schedule A, and all such payments shall be made by check or wire transfer in accordance with payment instructions contained in Schedule A. The Paying Agent shall have no duty or obligation to authenticate such payment instructions or the authorization thereof.
- (iii) The amounts to be disbursed constitute Costs of Issuance.
- (iv) Such amounts are required to be disbursed pursuant to a contract entered into by or on behalf of the City, or were necessarily and reasonably incurred and such amounts are not being paid in advance of the time, if any, fixed for payment.
- (v) No amount set forth in Schedule A was included in any certificate requesting disbursement of Costs of Issuance previously filed with the Paying Agent pursuant to Section 4.04 of the Paying Agent Agreement.

Capitalized terms not otherwise defined shall have the meanings set forth in the Paying Agent Agreement.

Dated: _____

CITY OF SANTA CLARA

By _____

Title _____

SCHEDULE A

Payee Name and Address	Purpose of Obligation	Series A Account Disbursement Amount	Series B Account Disbursement Amount
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EXHIBIT D
PROPOSED PROJECT LIST

Project Category	Estimated Project Costs to be Financed Series A Bonds	Estimated Project Costs to be Financed Series B Bonds
Streets and Transportation	\$27,370,000	\$0
Fire Stations and Emergency Response	\$12,285,450	\$0
Police Facilities	\$805,000	\$0
Parks, Library, Senior Center, and Aquatics Facilities	\$14,238,750	\$24,200,000
Storm Drain System Improvements	\$16,585,300	\$0
Historic Buildings and Beautification	\$0	\$1,150,000
Estimated Totals	\$71,284,500	\$25,350,000